

View from the Factory Floor

5th Edition

Issue Date: November 3, 2024



Macroeconomic Stability	WTO sees Bangladesh's Export growth amid global trade shifts	<ul style="list-style-type: none"> • Bangladesh anticipates substantial export growth despite significant changes in global trade dynamics in recent years. • WTO predicts a 2.6% and 3.3% increase in world merchandise trade volume in 2024 and 2025 respectively due to decreased inflation and increased consumer spending.
	USD 1.5 billion debt repaid without tapping into reserves	<ul style="list-style-type: none"> • Bangladesh Bank has increased the supply of dollars in the interbank market by curbing money laundering and reducing corruption, enabling it to repay foreign dues. • The government has already reduced its unpaid debt from \$2.5 billion to \$400 million. • The objective is to eliminate this debt within two months, enhancing market liquidity.
	Total USD 1.55 billion remittances in 19 days of October	<ul style="list-style-type: none"> • Bangladesh received \$1.55 billion, an average of \$87 million in remittances daily during the first 19 days of October. • In October, remittances to Bangladesh increased significantly. State-owned banks contributed \$400.8 million, specialized banks contributed \$78 million, private banks led with \$1.0496 billion, and foreign bank branches facilitated \$4.1 million.
Ease of Doing Business and Trade Facilitation	BB eases Forex rules	<ul style="list-style-type: none"> • Bangladesh Bank has streamlined foreign exchange rules, enabling banks to remit various types of payments abroad without its approval.
	Industrial importers can arrange loans from overseas sources without LCs	<ul style="list-style-type: none"> • BB has relaxed rules, allowing importers to arrange loans from overseas sources for industrial imports without Letter of Credits and a maximum 60-day credit facility. • Importers are granted a general waiver for issuance of corporate, personal, and third-party guarantees, allowing them to import under sales contracts and resolving confusion regarding third-country import/third-country LC.
Power and Energy	Govt plans to resume industrial gas connections	<ul style="list-style-type: none"> • The government is set to resume providing gas connections to industries to ensure gas supply for smooth operation of industrial units, prioritizing economic growth and development. • This is a major step towards industrial development as the Energy and Mineral Resources Division halted new gas connections to industries outside economic zones and industrial parks since April 2021.
	10-year tax benefit for investments in renewables	<ul style="list-style-type: none"> • National Board of Revenue (NBR) has granted a 10-year tax benefit for investments in renewable energy-based power facilities, aiming to promote clean energy generation. • In response to the Power Division's request, NBR has introduced this tax benefit to encourage private investment in clean energy ventures, effective from 1 July 2025.

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Port	New policy introduced for goods transport by lighter vessels	<ul style="list-style-type: none">Ministry of Shipping has introduced a new policy for inland water transportation using lighter vessels from seaports, with the Bangladesh Water Transport Coordination Cell (BWTCC) managing vessel allocation and scheduling.The policy permits only lighter vessels approved by the Department of Shipping and the Mercantile Marine Office in Chattogram for bay crossing and coastal transport of goods, hoping to speed up movement of goods and thereby facilitate business by reducing lead time.
	BB increases policy rate	<ul style="list-style-type: none">Bangladesh Bank (BB) has increased its policy rate from 9.5% to 10% to combat rising inflation.Change is effective from October 27th.
Inflation Control	Government has extended the sale of essential commodities	<ul style="list-style-type: none">Government is offering essential commodities, including agricultural products, at subsidized prices through the Open Market Sale (OMS) program at 45 points in Dhaka, Khulna, and Chattogram.Expected to reduce cost of living of low-income individuals to some extent through OMS program.
	Government cuts rice import duty	<ul style="list-style-type: none">Customs duty on rice was reduced from 25% to 15%, regulatory duty from 25% to 5%, and 5% of advance tax was withdrawn fully.Government has started importing 5 lakh tonnes of rice, which is expected to ensure food security and stabilize prices.
	Import duty on eggs reduced drastically	<ul style="list-style-type: none">Import duty on eggs was reduced from 25% to 5%.This duty reduction is expected to reduce import costs by Tk 13.8 per dozen, making the country's cheapest protein source available for low income group.
	Refined sugar import duty slashed by 25%	<ul style="list-style-type: none">Specific duty for refined sugar imports was reduced by 25% and regulatory duty from 30% to 15%, making it Tk 4,500 per tonne.This reduction is expected to boost imports and lower domestic sugar prices.

Source: Leading national dailies of Bangladesh

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